GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2894
ANSWERED ON:20.03.2017
Indiaâ€™s Imports and Exports
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of total imports and exports of the country during the last three years and the current year indicating the difference between their percentage along with the target fixed for import and export achieved during the said period;
(b) whether the country's trade deficit has widened during the said period and if so, the details thereof and the reasons therefor along with the steps taken by the Government to reduce it;
(c) whether the demand for indigenous mechanical and technical goods has increased in foreign markets during the recent years and if so, the details thereof along with the reaction of the Government thereto;
(d) whether the Government has directed its missions in various countries to explore trade opportunities and if so, the details thereof and the reports received by the Government in this regard;
(e) whether the Government has conducted any study on the effect of its adhoc export and import policy with respect to inflation in food commodities and if so, the details thereof; and
(f) whether the Government is planning to design a stable export and import policy for food commodities in order to control the seasonal variation in the food inflation and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)
(a): The value of India's merchandise exports and imports during the last three years and the current year are as follows:
(in US$ Billions)

Years	Exports	% Growth	Imports	% Growth
2013-14	314.41	--	450.22	--
2014-15	310.34	-1.29	448.03	-0.49
2015-16	262.29	-15.48	381.01	-14.96
2015-16 (Apr-Jan)	218.53	--	326.28	--
2016-17 (Apr-Jan)*	221.78	1.48	309.33	-5.19

Source: DGCI&S, Kolkata (* Provisional)

The value of merchandise export targets fixed and achieved is as follows:

Years	Export values (US$ Billions)		% Difference
	Target fixed	Achievement	
2013-14	325	314	-3.38
2014-15	340	310	-8.82

Source: Annual Report of Department of Commerce
As per Foreign Trade Policy 2015-20, the Government aims to increase India's exports of merchandise and services from US$ 465.9 billions to approximately US$ 900 billions by 2019-20 and to raise India's share in world exports (Goods and Services) from 2% to 3.5%.
(b): India's trade deficit for the last three years and the current year are as follows:
(in US$ Billions)

Years	Exports	Imports	Trade Deficit	% Growth
2013-14	314.41	450.22	-135.81	
2014-15	310.34	448.03	-137.69	1.39
2015-16	262.29	381.01	-118.72	-13.78
2015-16 (Apr-Jan)	218.53	326.28	-107.75	--
2016-17 (Apr-Jan)*	221.78	309.33	-87.55	-18.74

Source: DGCI&S, Kolkata (* Provisional)
The above data reveals that there is a small increase in the trade deficit during the period 2014-15 over 2013-14. However, the trade gap has decreased in 2015-16 and the current year compared to corresponding period of previous year.
The Government has taken following measures to improve the trade deficit with other countries:
(i) The Merchandise Exports from India Scheme (MEIS) was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015 and is a major export promotion scheme implemented by the Ministry of Commerce and Industry. MEIS aims to incentivize export of merchandise which is produced/ manufactured in India. Rewards @ 2-5% under MEIS are payable as a percentage of realized FOB value of covered exports, by way of the MEIS duty credit scrip, which are transferable and can also be used for payment of a number of duties including the basic customs duty. At present, 7914 tariff lines at 8 digit HS Codes are covered under MEIS scheme.
(ii) The Government has also launched Services Exports from India Scheme (SEIS) in the FTP 2015-2020. The Scheme provided rewards to service providers of notified services who are providing service from India. The rate of reward under the scheme would be based on net foreign exchange earned. The present rates of reward are 3% and 5%.
(iii) The Government is implementing the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters

including exporters from Micro, Small & Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation, etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.

(iv) By way of trade facilitation and enhancing the ease of doing business, Government reduced the number of mandatory documents required for exports and imports to three each, which is comparable with international benchmarks. The trade community can file applications online for various trade related schemes. Online payment of application fees through Credit/Debit cards and electronic funds transfer from 53 Banks has been put in place.

(v) Interest Equalization Scheme on pre & post shipment credit launched to provide cheaper credit to exporters.

(vi) Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorization, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

(c): A comparison of export data of engineering goods during the period 2016-17 (April −January) as compared to the corresponding period in 2015-16 indicates positive growth in mechanical and technical goods like electrical machinery, auto and auto components, ships and boats, Railway Transport etc. The details of export of engineering goods are as follows: (in US$ millions)

Product categories	2014-15	2015-16 (Apr-Jan)	2016-17 (Apr-Jan)*	% Growth
Industrial machinery	11418.11	8944.65	8824.69	-1.34
Electrical machinery	3965.82	3042.33	3729.86	22.60
Auto and Auto Components	12851.62	10484.42	10951.2	4.45
Aircrafts and Spacecraft parts and products	6159.17	3314.27	2435.27	-26.52
Ships Boats and Floating products and parts	5352.61	2660.69	2872.24	7.95
Medical and Scientific instruments	1276.44	978.59	1125.97	15.06
Railway Transport	133.54	71.1	173.79	144.43
Hand tools and cutting tools	755.71	541.31	526.04	-2.82
Electrodes, Accumulators	38.58	35.74	33.52	-6.21
Accumulator and Batteries	212.78	166.13	186.39	12.20
Bicycle & Parts	354.08	244.73	239.51	-2.13
Cranes Lifts & Winches	341.73	311.76	328.82	5.47
Office Equipments	54.29	71.36	100.6	40.98
Other construction machinery	1177.31	894.66	823.56	-7.95
Total	44091.79	31761.74	32351.46	1.86

Source: DGCI&S, Kolkata (* Provisional)

(d): Efforts are continuously made through missions abroad to increase overall exports by diversifying the trade basket with emphasis on manufactured goods, services, resolution of market access issues and other non-tariff barriers.

(e): No such study has been conducted.

(f): While framing the export and import policies for the agricultural products, including the food commodities the Government takes several factors into consideration such as availability of surplus over and above the requirement of buffer stock including strategic reserve, if any, concerns of food security, diplomatic/humanitarian considerations, international demand and supply situation, quality standards, varieties traded, price competitiveness, need to balance between remunerative prices to the growers and availability of agricultural products to common man at affordable prices etc. The Government strives to maintain a consistent and stable export and import policy for the food commodities, taking into consideration the interests of all the stakeholders.

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